

1999 Session

☒ ORIGINAL ☐ UPDATED
☐ CORRECTED ☐ SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
Order # AM-27-00

Amendment No. if Applicable

FISCAL ESTIMATE

DOA-2048 N(R10/94)

Subject**Fiscal Effect**

State: ☐ No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

☐ Increase Existing Appropriation ☐ Increase Existing Revenues
☐ Decrease Existing Appropriation ☐ Decrease Existing Revenues
☐ Create New Appropriation

☐ Increase Costs - May be possible to Absorb
Within Agency's Budget ☐ Yes ☐ No

☐ Decrease Costs

Local: ☐ No local government costs

1. ☐ Increase Costs
☐ Permissive ☐ Mandatory

2. ☐ Decrease Costs
☐ Permissive ☐ Mandatory

3. ☐ Increase Revenues
☐ Permissive ☐ Mandatory

4. ☐ Decrease Revenues
☐ Permissive ☐ Mandatory

5. Types of Local Governmental Units Affected:

☐ Towns ☐ Villages ☐ Cities
☐ Counties ☐ WTCS Districts
☐ School Districts ☐ Others _____

Fund Sources Affected

☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEG-S

Affected Ch. 20 Appropriations**Assumptions Used in Arriving at Fiscal Estimate**

SUMMARY OF RULE - The proposed rule responds to requirements in the 1990 Clean Air Act for RACT on VOC emission sources, for Rate of Progress emission reductions in VOC or NOx emissions, and for achieving 1 Hr ozone attainment. The rule contains provisions for RACT on industrial clean-up solvents and establishes NOx emission reduction requirements for various source categories. The rule makes enforceable NOx testing in the I/M program and emission limitations, combustion optimization, burner tuning and offset for air permitting requirements for stationary sources.

FISCAL IMPACT - The Department of Natural Resources is not expected to incur additional cost for administering the proposed rule. It is part of the Bureau of Air Management's ongoing responsibilities to achieve the 1-hour ozone standard and to issue permits connected with that objective.

The proposed rule potentially affects six heating and cooling boilers at University of Wisconsin facilities operated by the Department of Administration (DOA). These facilities are required to meet combustion optimization or tune-up requirements to operate in a low NOx combustion profile. This may require the installation of monitoring equipment to maintain operation in this mode, but does not require any additional control equipment. Operating in a low NOx mode usually coincides with increased boiler efficiency and therefore savings in fuel cost. This saving is expected to offset the potential costs to yield cost savings. Under a high capital cost for continuous monitoring to insure efficiency gains the maximum net costs are expected to be in the range of under \$1,000 per year (current estimate is \$50 per year). The proposed rule also requires an emission rate limit for three large boilers at the UW-Milwaukee facility. However, the DOA is currently installing low NOx burners as part of their regular burner replacement and expects to meet the proposed limit. Therefore, there is no additional cost assumed for this facility.

The proposed rule also affects the local government owned Manitowoc Public Utility facility. The proposed rule imposes emission rate limits on three boilers below current operating levels. Meeting these emission rates is expected to require an optimization procedure and potentially a modification of existing equipment to operate in a low NOx combustion mode. The efficiency gains and fuel savings are expected to offset capital costs of these actions as well as the installation of appropriate monitoring equipment for annual cost savings of \$40,000. However, monitoring equipment may incur a maximum annual cost of \$30,000 to ensure the efficiency gains and low NOx operating mode.

Fiscal Estimate - NOx Controls at Government-Owned Facilities

Government Source	Total Annual Cost (\$)	\$/ton Reduction
Manitowoc Public Utility	under 30,000 to (-40,000)	(-200) to 140
Dept. of Administration	under 1,000 to (-10,000)	(-5,000) to 40

Long-Range Fiscal Implications

Any fiscal impact is expected to decrease over time as normal equipment upgrades during routine maintenance meet requirements of the proposed rule. The maximum annual cost to State government is in the range of under \$1,000 (\$50 estimated) and all local government in the range of under \$30,000.

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Date

05-12-00

